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PREFACE

If any were required, a reason—perhaps a sufficient reason—for the present investigation might be offered in the circumstance that an essay to present in a systematic and fairly thorough manner the facts with which I have attempted to deal, has never yet appeared in print. The growth and improvement of the banking system are parts of the commercial and legislative history of Canada even less cultivated than the broader field of its economic history. Yet the course of the development ought by no means to be devoid of interest; the results in some respects are unique; and where it is now carried on the Canadian system of banking is believed to be productive of the highest possible advantages.

A second reason could well be found in relation with the banking situation of the United States. Observers in all quarters have noticed the growing necessity for reform in the currency and banking system of this country, and have remarked the demonstration of the necessity in the frightful crisis precipitated by distrust in the value of the currency commonly used. They have noticed also, especially among those who are most deeply interested in the organization of credit, the growing conviction of this necessity—a conviction of which the last and most significant expressions are the resolutions adopted on the 11th October, 1894, by the American Bankers'

Association, in convention assembled at Baltimore. It is possible, at least, that from some account of the Canadian banking system an American will obtain instructive contrasts, as well in history, as in present organization and methods of operation, to the system of banking and bank legislation which has obtained in the United States.

Of the few short summaries or historical sketches hitherto published, the greater number are unreliable, even in respect to the facts which are included. The principal legal text on banking under Dominion legislation is not exempt from errors where the author has digressed to history, while certain others, who likewise affected the cursory style, have committed still more mistakes. Better types, or worse, of the current misstatements than are in the historical survey of Canadian banking prepared for the Statistical Year Book of Canada for 1893, could not be found. And this is a public document issued by the Department of Agriculture. But to indulge in polemic, or to correct such carelessness or untruth specifically, would be seriously to abbreviate the treatment of truths relating to the system. It has been necessary to restrict this essay, as far as possible, to exposition alone.

The principal sources of the narrative are in the public documents of the several British North American provinces and of the Dominion of Canada. The statutes passed from year to year ought to be named first, and then the legislative or parliamentary documents of Upper Canada, Lower Canada, Canada, New Brunswick, Nova Scotia, and the Dominion of Canada. Since the confederation of the provinces in 1867, the collected debates of the Parliament of Can-

ada—the Hansard's reports—have been of service. Prior to that time, debates were reported only in the newspapers of the day. It has been necessary to consult the files of various journals both for debates and for other questions arising at nearly every stage of the inquiry. Memoirs, biographies, and miscellaneous historical works have also been examined.

For light upon matters within their recollection and for information as to the practical working of the Canadian banking system, I am indebted to the courteous and generous assistance of the many Canadian bankers to whom my queries have been put. Without their help the task of research would have been immeasurably more severe. Especial obligation must be acknowledged to Messrs. Jas. Stevenson, B. E. Walker, George Burn, H. S. Steven and William Munro. To the Honorable George E. Foster, D.C.L., Minister of Finance and Receiver General; to J. M. Courtney, Esquire, Deputy Minister of Finance, and to members of the permanent staff of the Finance Department; to Messrs. Martin O. Griffin, F. Blake Crofton and W. T. R. Preston, Librarians of the Library of Parliament and of the Legislative Libraries of Nova Scotia and Ontario respectively; and to the Editing Committee of the *Journal of the Canadian Bankers' Association*, who have undertaken the publication of the essay in Canada, are also due the heartiest acknowledgments for assistance of various kinds.

R. M. B.

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